

[4310-MR-W]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for Office of Management and Budget (OMB) Review; Comment Request

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of an extension of a currently approved information collection (OMB Control Number 1010-0139).

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), we are notifying the public that we have submitted to OMB an information collection request (ICR) to renew approval of the paperwork requirements in the regulations under 30 CFR Part 216, Production Accounting; Subpart A, General Provisions; and Subpart B, Oil and Gas, General. This notice also provides the public a second opportunity to comment on the paperwork burden of these regulatory requirements. The ICR is titled “30 CFR Part 216, Production Accounting; Subpart A, General Provisions; and Subpart B, Oil and Gas, General.”

DATES: Submit written comments on or before [\(INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER\)](#).

ADDRESSES: Submit written comments by either fax (202) 395-5806 or email (Ruth.Solomon@omb.eop.gov) directly to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for the Department of the Interior (OMB Control Number 1010-0139. Mail or hand-carry a copy of your comments to Sharron L.

Gebhardt, Regulatory Specialist, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 320B2, Denver, Colorado 80225. If you use an overnight courier service, our courier address is Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225. You may also email your comments to us at mrm.comments@mms.gov. Include the title of the information collection and the OMB Control Number in the "Attention" line of your comment. Also include your name and return address. Submit electronic comments as an ASCII file avoiding the use of special characters and any form of encryption. If you do not receive a confirmation that we have received your email, contact Ms. Gebhardt at (303) 231-3211.

FOR FURTHER INFORMATION CONTACT: Sharron L. Gebhardt, telephone (303) 231-3211, FAX (303) 231-3781, email Sharron.Gebhardt@mms.gov. You may also contact Sharron Gebhardt to obtain a copy at no cost of the forms and regulations that require the subject collection of information.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Part 216, Production Accounting; Subpart A, General Provisions; and Subpart B, Oil and Gas, General (Form MMS-4054, and MMS 4058)

OMB Control Number: 1010-0139

Bureau Form Number: Form MMS-4054 and MMS-4058

Abstract: The Department of the Interior (DOI) is responsible for matters relevant to mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary of the Interior (Secretary) under The Mineral Leasing Act (30 U.S.C. 1923 and The Outer Continental Shelf Lands Act (43 U.S.C. 1353) is responsible for managing the production of minerals from Federal and Indian lands and

the OCS, collecting royalties from lessees who produce minerals, and distributing the funds collected in accordance with applicable laws.

The Secretary has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. MMS performs the royalty management functions and assists the Secretary in carrying out DOI's Indian trust responsibility.

The financial accounting system is an integrated computer system that includes production reports submitted by lease/agreement operators and is designed to track minerals produced from Federal and Indian lands from the point of production to the point of disposition, or royalty determination, and/or point of sale. The financial accounting system also includes payment and sales volumes and values as reported by payors. The production and royalty volumes are compared to verify that proper royalties are received for the minerals produced.

The production reports provide MMS with ongoing information on lease, unit, or communitization agreement (lease/agreement) and facility production, sales volumes, and inventories. The reports summarize all operations on a lease/agreement or facility during a reporting period. They identify production by the American Petroleum Institute well number and sales by product. Data collected are used as a method of cross-checking reported production with reported sales. Failure to collect this information will prevent MMS from ensuring that all royalties owed on lease production are paid. Additionally, the data is shared electronically with the Bureau of Land Management, MMS's Offshore Minerals Management, Bureau of Indian Affairs, and tribal and state governments so they can perform their lease management responsibilities.

Form MMS-4054, Oil and Gas Operations Report (OGOR), is a three-part form that identifies all oil and gas lease production and dispositions. The form is used for all production reporting for offshore Outer Continental Shelf and onshore Federal and Indian lands. Monthly production information is compared with monthly sales and royalty data submitted on Form MMS-2014, Report of Sales and Royalty Remittance, (OMB Control Number 1010-0140) to ensure proper royalties are paid on the oil and gas production reported to MMS. MMS uses the information from Parts A, B, and C of the OGOR to track all oil and gas from the point of production to the point of first sale or other disposition. To streamline preparation of modified reports, the operator has the option of modifying the reporting line (delete/add by detail line) or replacing (overlying) the previous report.

OGOR, Part A, Well Production: All operators submit Part A, Well Production, for each lease or agreement with active wells until such wells are abandoned and inventories are disposed. Each line identifies a well/producing interval combination showing well status; days on production; volumes of oil, gas, and water produced; and any volumes injected during the report month.

OGOR, Part B, Product Disposition: For any month with production volumes, operators submit Part B, Product Disposition, to identify the sales, transfers, and lease use of production reported on Part A. A separate line for each disposition shows: (1) the volume of oil, gas, or water; (2) the sales meter or other meter identifier; (3) the gas plant for instances where gas was processed prior to royalty determination; and (4) the quality of production sold.

OGOR, Part C, Product Sales from Facility: The lease operators who store their production before selling it must submit Part C, Product Sales from Facility. Separate lines for each product identify the storage facility, sales meter if applicable, quality of production sold, beginning and ending storage inventory, volume of sales, and volumes of other gains and losses to inventory.

Form MMS-4058, Production Allocation Schedule Report (PASR), is submitted monthly by operators of the facilities and measurement points where production from an offshore lease or metering point is commingled with production from other sources before it is measured for royalty determination. MMS uses the data to determine whether sales reported by the lessee are reasonable. Each line identifies a lease or metering point and allocated sales or transfer volumes. Delivered production volumes are no longer reported. Space has been provided on each detail line for the operator's property name (area/block), and a column has been added for indicating whether the operator is injecting oil, gas, or both into the pipeline system. Beginning and ending inventory are no longer reported. To streamline preparation of modified reports, the operator has the option of modifying (delete/add by detail line) or replacing (overlying) the previous report.

No proprietary information will be submitted to MMS under this collection. No items of a sensitive nature are collected. The requirement to respond is mandatory.

We have also changed the title of this ICR from "Production Accounting and Auditing System Oil and Gas Reports (Forms MMS-4054, MMS-4055, MMS-4056, and MMS-4058)" to "30 CFR Part 216, Production Accounting; Subpart A, General Provisions; and Subpart B, Oil and Gas, General, Form MMS 4054 and MMS 4058 to clarify the regulatory language we are covering under 30 CFR Part 216.

Frequency: Monthly and as required.

Estimated Number and Description of Respondents: 2,500 industry operators.

Estimated Annual Reporting and Recordkeeping “Hour” Burden: 76,630 hours.

The following chart details the individual components and estimated hour burdens.

In calculating the burdens, we assumed that respondents perform certain requirements in the normal course of their activities. Therefore, we consider these to be usual and customary and took that into account in estimating the burden.

Respondent Annual Burden Hour Chart

30 CFR Part 216 Subparts A and B	Reporting Requirement	Burden Hours Per Response	Annual Number of Responses	Annual Burden Hours
216.11; 216.16(a); 216.21; 216.40(d); 216.53(a), (b), and (c)	You must submit your Oil and Gas Operations Report, Form MMS-4054, in accordance with electronic reporting requirements . . . All reporting forms . . . should be mailed to the Minerals Management Service, Minerals Revenue Management, . . . The reporter shall submit accurately, completely, and timely, . . . all information forms and other information required by MMS. . . . The reporter shall have the burden of proving that a reporting problem was unavoidable. You must file an Oil and Gas Operations Report, Form MMS-4054, . . . You must submit a Form MMS-4054 for each well for each calendar month . . . MMS must receive your completed Form MMS-4054 . . . Electronically . . . Other than electronically25 hour (Electronic)	294,000	73,500
		.25 hour (Manual)	6,000	1,500
216.56(a), (b), and (c)	Any operator of an offshore Facility Measurement Point . . . must file a Production Allocation Schedule Report (Form MMS-4058). You must submit a Production Allocation Schedule Report, Form MMS-4058, for each calendar month . . . MMS must receive your Form MMS-4058 . . . Electronically . . . Other than electronically. . .	.1167 hour (Electronic)	7,280	850
		.25 hour (Manual)	3,120	780
216.57	Operators who have been granted a reduced royalty rate(s) by BLM must submit a Stripper Royalty Rate Reduction Notification (Form MMS-4377) to MMS	Burden covered under OMB Control Number 1010-0090.		
TOTAL			310,400	76,630

Estimated Annual Reporting and Recordkeeping “Non-hour” Cost Burden:

Reporters require access to the internet through a subscription to an internet provider service. The annual subscription is estimated at \$240 per reporter.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, et seq.) provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Comments: Section 3506(c)(2)(A) of the PRA requires each agency “* * * to provide notice * * * and otherwise consult with members of the public and affected agencies concerning each proposed collection of information * * *.” Agencies must specifically solicit comments to: (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

To comply with the public consultation process, we published a notice in the *Federal Register* on April 21, 2003 (68 FR 19575) announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received no comments in response to the notice.

If you wish to comment in response to this notice, you may send your comments to the offices listed under the ADDRESSES section of this notice. OMB has up to 60 days to approve or disapprove the information collection but may respond after 30 days. Therefore, to ensure maximum consideration, OMB should receive public comments by

[INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE
FEDERAL REGISTER].

Public Comment Policy: We will post all comments in response to this notice on our web site at http://www.mrm.mms.gov/Laws_R_D/InfoColl/InfoColCom.htm. We will also make copies of the comments available for public review, including names and addresses of respondents, during regular business hours at our offices in Lakewood, Colorado. Individual respondents may request that we withhold their home address from the public record, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by law. If you request that we withhold your name and/or address, state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

MMS Information Collection Clearance Officer: Jo Ann Lauterbach, (202) 208-7744.

Date

Lucy Querques Denett
*Associate Director for
Minerals Revenue Management*